

Four Star Pizza chain has interim examiner appointed

The company behind the Four Star Pizza takeaway chain became the latest business in Ireland to seek the protection of the High Court from its creditors.

Mr Justice Frank Clarke was told yesterday that Four Star Pizza and its parent company, Zowington, were insolvent and unable to pay their debts.

The takeaway company owes National Irish Bank €4.9 million. Other creditors include an ingredients supply firm, a printing firm and the Revenue Commissioners.

Four Star Pizza has 40 outlets and is the second-largest takeout franchise in Ireland. Onerous lease costs put a strain on franchisees and like-for-like sales have declined by about 30 per cent in the past three years due to increased competition and heavy price discounting. Plans to open six new outlets in 2010 were scrapped due to a lack of available credit.

Accountant Neil Hughes of Hughes Blake was appointed as interim examiner and is charged with seeking new investment and demonstrating to the High Court the company has a viable long-term future.

The master franchise company is owned by Anthuan Xavier and Jason Sheehy, who both formerly held senior positions at accounting and advisory firm BDO Simpson Xavier.

About 35 staff are directly employed by the holding company, with another 400 working in the outlets. Latest accounts for Four Star show the holding company made a loss in 2008 of €83,000.

Speaking to *The Irish Times* last night, Mr Xavier, the majority shareholder, said it would be “business as usual” during the examinership process. He said he “would like to stay involved in some capacity but that is a matter now for the examiner”.

Four Star Pizza holds the licence for the brand in Ireland and Britain, although no outlets have been opened on the other side of the Irish Sea. The master franchise company held many of the leases on the outlets, subletting them to franchisees. Two restaurants have been closed recently and the firm argues its rents are not reflective of current market rates.

Source:

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Ciaran Hancock, Business Affairs Correspondent